



PPENDIX A

STATUTORY FUNDS, TRUST FUNDS AND RESERVES FOR THE YEAR ENDED 2007

	Balance at 2006/06/30	Adjustments	Contributions during the year	Interest on investments	Other income	Operating expenditure during the year	Capital expenditure during the year	Balance at 2007/06/30
	R	R	R	R	R	R	R	R
Statutory Funds								
Capital Development Fund	12,967,121	-303,286		479,681		0	0	13,143,516
Land trust fund	8,421,093	-4,334	0	263,554	191,374	0	0	8,871,688
Housing Development Fund	667,131	0	0	0	0	0	0	667,131
	22,055,345	-307,620	0	743,235	191,374	0	0	22,682,334
Trust Funds								
Lebaleng 556 RDP Housing	33,415	0	0	0	0	0	0	33,415
Tsweleng LED Buildings	442,670	0	0	18,802	28,000	540	49,713	439,219
Library grant	108,487	0	250,000	670	0	216,703	50,230	92,224
National Treasury Grant	21,251	0	500,000	24,516	0	180,103	60,321	305,343
MSP Grant	741,969	249,621	0	45,256	0	69,143	17,942	949,762
LG Supporting Grant	249,621	-249,621	0	0	0	0	0	0
Project Management Unit	393,048	0	0	0	0	0	0	393,048
Vehicle Maintenance Fund	-13,989	13,989	0	0	0	0	0	0
Boskuil electricity	172,705	0	0	0	0	0	0	172,705
New Office Buildings	-507,288	0	0	0	0	1,094	48,000	-356,382
Lotto Grant Sport	421,670	0	0	30,261	200,000	0	429,237	22,695
DWAF	0	0	693,364	0	0	608,214	0	85,150
Project Management Unit 2	0	3,322,964	21,888,058	167,102	6,936,376	4,682,845	25,317,075	2,314,580
SMME's	0	67,174	67,174	0	0	0	0	67,174
MSIG and SDM 2006 / 2007	0	0	175,000	0	0	0	0	175,000
Disaster Management Grant	0	0	5,030,000	95,000	0	101,885	0	5,023,115
DBSA Refund Grant	0	0	21,212,312	95,542	0	802,728	20,505,126	0
IDP Grant	0	46,851	0	0	0	16,948	0	29,903
Switchgear Prison	0	-167,973	0	0	0	0	0	-167,973
	2,063,560	3,283,005	49,815,908	477,149	7,164,376	6,680,203	46,477,644	9,578,979



PPENDIX B

EXTERNAL LOANS AND INTERNAL ADVANCES FOR THE YEAR ENDED 2007

	Balance at 30/06/2006		Adjustments	Received during the year		Redeemed / write off during the year	Balance at 30/06/2007	
	R		R	R		R	R	
EXTERNAL LOANS								
Annuity loans: Development Bank								
Issued	Loan no.	Redeemable						
1978 @ 10.25%	8	2008	0	0		37,396	41,320	
1979 @ 11.00%	9	2009	0	0		34,999	82,305	
1985 @ 13.75%	16	2014	0	0		33,250	456,621	
1988 @ 13.75%	19	2014	0	0		20,348	250,978	
1988 @ 16.12%	10	2007	0	0		34,761	19,493	
1989 @ 15.88%	11	2008	0	0		35,444	64,415	
DBSA Vehicle Loan 2, 000,000			0	2,199,007		32,470	2,166,537	
Mayoral Vehicle			0	268,450		58,039	210,411	
DBSA Sewer Loan			0	1,590,712		91,344	1,499,368	
Annuity loans: ABSA		2013						
1999 @ 14.50%			0	0		4,008	40,383	
TOTAL EXTERNAL LOANS			0	4,058,169		382,061	4,831,831	
INTERNAL ADVANCES								
Capital Development Fund			0	0		132,916	756,956	
Land Trust Fund			0	0		18,543	67,840	
TOTAL INTERNAL LOANS			0	0		151,459	824,796	



PPENDIX C

ANALYSIS OF FIXED ASSETS FOR THE YEAR ENDED 2007

	Expenditure 2006 R	Budgeted 2007 R	Balance 2007 R	Expenditure 2007 R	Written off/ transferred R	Balance 2007 R
Rates and General Services	14,116,197	63,049,598	88,574,310	87,666,558	67,556	176,173,312
Community Services	117,155	4,091,846	28,556,242	6,777,017	60,721	35,272,538
Air strip	0	0	5,710	0	0	5,710
Councils general expenses	48,940	128,000	1,856,289	350,671	5,560	2,201,400
Health	1,704	0	424,177	0	100	424,077
Public works	0	2,373,846	23,479,463	5,884,982	42,549	29,321,896
Swimming pools	0	0	36,230	0	0	36,230
Municipal manager	0	0	438,075	16,912	0	454,987
LED Marketing	0	1,470,000	1,462,314	116,274	0	1,578,588
Administration	4,175	120,000	9,658	107,506	0	117,163
Finance	62,086	0	676,320	76,322	12,512	740,130
General expenses	0	0	0	0	0	0
Traffic	250	0	168,008	224,350	0	392,357
Subsidised services	2,187,731	2,300,000	12,518,442	732,386	2,141	13,248,687
		1,500,000				
Cemetery	0	1,500,000	1,021,471	0	0	1,021,471
Municipal buildings	614,249	450,000	5,554,893	0	0	5,554,893
Fire	1,800	0	497,363	0	0	497,363
Land	0	0	248,155	0	0	248,155
Library	214,430	350,000	715,264	101,108	2,141	814,231
Parks and recreation	1,357,253	0	4,481,296	631,278	0	5,112,574



PPENDIX C

ANALYSIS OF FIXED ASSETS FOR THE YEAR ENDED 2007

Economic services	11,811,312	56,657,752	47,499,626	80,157,155	4,694	127,652,087
	0	2,600,000	820,108	600,870	0	1,420,978
	0	0	108,158	0	4,094	104,064
	11,811,312	54,057,752	46,571,360	79,556,285	600	126,127,045
	105,304			105,304		105,304
Housing services						
	0	2,400,000	0	0	0	0
Sub Economic Housing	0	0	0	0	0	0
	0	0	0	0	0	0
	0	0	0	0	0	0
Trading services						
	2,694,497	11,253,770	32,560,954	28,000,612	1,889	60,559,677
	2,694,497	11,253,770	32,560,954	28,000,612	1,889	60,559,677
Water	2,691,994	10,353,770	24,299,828	27,628,756	1,889	51,926,695
Electricity	2,504	900,000	8,261,125	371,856	0	8,632,981
TOTAL FIXED ASSETS	16,810,695	76,703,368	121,135,264	115,667,169	69,445	236,732,988
Less: Loans redeemed and other capital receipts						
		119,107,532	119,107,532	112,341,614	69,445	231,379,701
Loans redeemed and advances repaid						
Contributions from operating income						
Grants and subsidies						
		119,107,532	119,107,532	112,341,614	69,445	231,379,701
		2,944,787	2,944,787	533,520	69,445	3,408,862
		2,294,767	2,294,767	2,543,738	0	4,838,505
		113,867,978	113,867,978	109,264,356	0	223,132,333
NET FIXED ASSETS		2,027,732	3,325,555	3,325,555	0	5,353,287
Unspent Loan DBSA						
						199,093
NET FIXED ASSETS						5,552,380



PPENDIX D

ANALYSIS OF OPERATING INCOME AND EXPENDITURE FOR THE YEAR ENDED 2007

	Actual 2006 R		Actual 2007 R	Budgeted 2007 R
Income				
Grants and subsidies	32,064,101	1	24,917,310	104,432,658
Operating income	54,267,706		60,959,315	64,989,451
Assessment rates	8,195,198	2	8,343,523	8,780,912
Sale of electricity	12,671,075	3	14,034,347	13,457,626
Sale of water	12,478,084	4	12,032,849	13,997,084
Other income	20,923,349	5	26,548,596	28,753,829
Total income	86,331,807		85,876,624	169,422,109
Expenditure				
Salaries, wages and allowances	27,444,537	6	32,906,236	35,252,683
General expenses	38,254,730		42,395,886	55,384,690
- Electricity	6,486,163	7	7,533,953	8,200,000
- Water	9,918,132	8	10,615,466	10,576,517
- Other general expenses	21,850,435	9	24,246,467	36,608,173
Repairs and maintenance	917,319	10	1,843,640	2,176,022
Depreciation	0	11	0	727,993
Capital charges	918,304	12	1,068,060	180,863
Contributions to fixed assets	6,462,283	13	2,543,738	76,703,368
Contributions	8,111,852	14	2,071,431	1,921,810
Gross expenditure	82,109,024		82,828,991	172,347,429
Less: Amounts charged out	-3,300,190	15	-3,030,960	-3,030,960
Net expenditure	78,808,834		79,798,031	169,316,469



PPENDIX E

DETAILED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2007

Actual Income 2006 R	Actual expenditure 2006 R	Surplus/ (Deficit) 2006 R	Rates and general services	Actual Income 2007 R	Actual expenditure 2007 R	Surplus/ (Deficit) 2007 R	Budget Surplus/Deficit 2007 R
55,325,319	53,340,805	1,984,515		52,186,929	54,302,695	-2,115,766	61,526,519
32,680,059	39,215,355	-6,535,295	Community Services	26,474,929	40,809,111	-14,334,182	43,300,252
2,736,630	15,907,954	-13,171,324	Council general expenses	3,593,747	16,951,134	-13,357,387	-19,794,844
8,195,198	0	8,195,198	Assessment rates	8,343,523	0	8,343,523	8,780,912
11,070,494	6,403,964	4,666,530	Project Management Unit	0	258,286	-258,286	62,436,712
1,359,662	1,999,338	-639,676	Health	917,220	2,022,911	-1,105,691	-667,722
0	0	0	Stores	0	0	0	0
-1,887	376,202	-378,089	LED Marketing & fixed property	98,136	489,136	-391,000	1,024,965
0	151,440	-151,440	IDP & PMS	0	156,309	-156,309	-184,184
139,053	3,975,941	-3,836,888	Public works, swimming pool	140,773	5,692,411	-5,551,638	-2,274,076
0	1,110,801	-1,110,801	Municipal manager	0	1,473,790	-1,473,790	-2,417,712
1,768	3,003,838	-3,002,070	Administration	8,471	3,315,291	-3,306,820	-2,838,134
3,984,705	1,974,997	2,009,708	Finance	3,492,625	2,702,535	790,090	-2,774,740
5,194,435	4,310,878	883,557	Traffic / Licencing	9,880,432	7,747,307	2,133,125	2,009,075

DETAILED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2007

	179,215	2,978,806	-2,799,590	15,189	3,486,670	-3,471,482	-231,665
	0	0	0	0	0	0	0
	15,580	1,303,251	-1,287,671	-170,701	1,433,387	-1,604,088	979,362
	163,635	1,675,555	-1,511,919	185,889	2,053,283	-1,867,394	-1,211,027
	22,466,045	11,146,644	11,319,400	25,696,812	10,006,914	15,689,898	18,457,932
	8,075,853	4,523,727	3,552,127	9,183,656	3,853,992	5,329,664	5,549,011
	14,390,191	6,622,918	7,767,274	16,513,155	6,152,922	10,360,233	12,908,921
	0	0	0	680	3,794	-3,114	0
	0	0	0	680	3,794	-3,114	0
	31,006,488	25,468,029	5,538,459	33,689,015	25,491,542	8,197,473	11,634,349
	14,265,168	10,401,651	3,863,517	16,194,804	11,328,801	4,866,003	4,302,401
	16,741,320	15,066,378	1,674,942	17,494,211	14,162,741	3,331,470	7,331,948
	86,331,807	78,808,834	7,522,973	85,876,624	79,798,031	6,078,593	73,160,868
			-26,488,914			-9,478,202	
			-18,965,940				-3,399,609
			13,138,240				-5,827,700
			-5,827,700				-9,227,309



PPENDIX F

STATISTICAL INFORMATION FOR THE YEAR ENDED 30 JUNE 2007

	2006/2007	2005/2006
General statistics	R	R
Population	69,037	77,253
Valuation: taxable property *	R28,635,040	R20,245,126
: non taxable property *	R3,603,456	R2,090,180
Number of properties: residential and commercial	17,176	15,243
Property tax rate **		
Number of employees	330	271
Number of registered voters at last election	33,460	33,460
Electricity statistics		
Number of consumers	2,365	3,689
Number of units purchased (kwh)	41,784,444	38,341,250
Number of units sold (kwh)	35,534,097	31,028,159
Number of units lost in distribution (kwh)	6,250,347	7,313,091
Number of units lost in distribution as a %	14.96	23.57
Cost per unit sold	R 0.3279	R 0.2100
Income per unit sold	R 0.46	R 0.41
Water statistics	9,203	9,213
Number of consumers	2,540,933	2,287,601
Number of units purchased / borehole supply (kl)	1,298,010	1,463,148
Number of units sold (kl)	1,242,923	824,453
Number of units lost in distribution (kl)	48.92	36.04
Number of units lost in distribution as a %	R 11.25	R 6.77
Cost per unit sold	R 13.48	R 8.52
Income per unit sold	9,203	9,213

* Last valuation came into effect from 01 July 2005

**A uniform tariff was implemented with effect from 1 July 2005.

All towns - Site Value	0.2468	0.2228
All towns - Property Value	0.0083	0.0075
Rebate - Witpoort	less 40%	less 40%
Rebate - Agricultural land within our boundaries	less 60%	less 60%

Grants

Name	Purpose / Project	Opening Balance	Quarter 1			Quarter 2			Quarter 3			Quarter 4		Closing Balance
			Receipts	Expenditure		Receipts	Expenditure		Receipts	Expenditure		Receipts	Expenditure	
MSI	Lebaleng Housing Electrification 556	33,415	0	0		0	0		0	0		0	0	33,415
Local Economic Development	Tsweleng LED Buildings	442,670	3,996	135		4,599	135		5,021	21,848		33,186	28,135	439,219
Social Services	Library Grant	108,487	0	38,452		250,000	113,621		0	61,864		670	52,996	92,224
FMG	National Treasury Grant	21,251	506,129	22,544		6,129	20,624		6,129	98,146		6,129	99,111	305,343
MSP	MSP Grant	741,969	11,314	62,246		11,314	11,278		260,935	13,560		11,314	0	949,762
LG Supporting Grant	LG Supporting Grant	249,621	0	0		0	0		0	249,621		0	0	0
MIG	Project Management Unit	393,048	0	0		0	0		0	0		0	0	393,048
Provincial Grant	Vehicle Maintenance Fund	-13,989	13,989	0		0	0		0	0		0	0	0
Provincial Grant	Boskuil Electricity	172,705	0	0		0	0		0	0		0	0	172,705
Provincial Grant	New Office Buildings	-507,288	200,000	49,094		0	0		0	0		0	0	-356,382
Lotto Grant	Lotto Grant (Sport)	421,670	7,565	0		7,565	0		7,565	0		7,567	429,237	22,695
Dept. of Water & Forestry	DWAF	0	0	0		88,598	77,718		209,244	183,547		395,522	346,949	85,150
MIG	Project Management Unit 2	0	11,332,861	4,216,332		20,108,767	16,972,800		565,475	3,617,223		5,307,398	10,193,566	2,314,580
Provincial Grant	-	0	67,174	0		0	0		0	0		0	0	67,174
Southern District MSIG	MSIG from SDM 2006/2007	0	175,000	0		0	0		0	0		0	0	175,000
Provincial Grant	Disaster Management Grant	0	0	0		0	0		5,030,000	0		95,000	101,885	5,023,115
Provincial Grant	DBSA Refund Grant	0	0	0		0	0		5,000,000	0		95,542	5,095,542	0
Provincial Grant	IDP Grant	0	46,851	0		0	0		0	0		0	16,948	29,903
Provincial Grant	Switch gear (Prison)	0	0	167,973		0	0		0	0		0	0	-167,973
TOTALS		2,063,559	12,364,879	4,556,776		20,476,972	17,196,176		11,084,369	4,245,809		5,952,328	16,364,369	9,578,978

5.1 Finance and Administration (Finance)
5.1.1 Debtor Billings: Number and value of monthly billings and collections (VAT inc lusive) (Includes sundry billings)

	July 06	Aug 06	Sept 06	Oct 06	Nov 06	Dec 06	Jan 07	Feb 07	Mar 07	Apr 07	May 07	Jun 07
Opening Balance	41,580,270	44,180,134	46,367,111	47,262,802	48,489,734	49,384,453	50,946,649	51,173,610	52,748,687	53,514,314	54,718,799	55,695,432
Levied	5,946,927	5,278,370	4,665,118	4,759,790	4,309,783	4,873,767	4,474,025	4,629,009	4,732,236	4,467,596	4,332,240	4,637,015
Cash Received	(2,436,120)	(3,011,453)	(2,376,891)	(2,910,521)	(2,685,085)	(2,613,510)	(3,442,794)	(2,257,404)	(3,228,538)	(2,577,853)	(2,667,468)	(2,403,195)
Indigent Support	(704,562)	(726,379)	(665,787)	(671,428)	(669,916)	(637,849)	(671,699)	(693,298)	(678,195)	(668,594)	(671,749)	(312,674)
Journals	(206,381)	646,439	(726,749)	49,091	(60,063)	(60,212)	(132,571)	(103,230)	(59,876)	(16,664)	(16,390)	62,903
Closing Balance	44,180,134	46,367,111	47,262,802	48,489,734	49,384,453	50,946,649	51,173,610	52,748,687	53,514,314	54,718,799	55,695,432	57,679,481
No. of accounts issued	14,921	14,850	14,848	14,873	14,871	14,866	14,878	14,782	14,617	14,801	14,803	14,825
Level of Payment	41%	57%	51%	61%	62%	54%	77%	49%	68%	58%	62%	52%

5.1.2 Debtor analysis: Amount outstanding over 30,60 and 90 plus, days:
Age analysis of debtors as at 30 June 2007

Category	R 30 days	R 60 days	R 90 days +	R Total
Assessment rates	315,021	0	6,046,361	6,361,382
Annual rates	(1,012)	0	16,685	15,673
Stand levy	(48,379)	0	313,885	265,506
Sewer	534,702	0	16,298,970	16,833,672
Refuse	394,242	0	10,505,110	10,899,352
Electricity	1,008,977	0	1,291,047	2,300,023
Water	720,492	0	18,998,215	19,718,706
Total for rates & service charges	2,924,063	0	53,470,273	56,394,314
Total for other debtors	(58,422)	0	1,343,589	1,285,167
Grand Total	2,865,619	0	54,813,862	57,679,481

5.1.3 Write off of debts:

The total debt written off during the year for indigents and other debtors: (See note 9 of the Audited Annual Financial Statements) R473,417.

5.1.4 Valuation of property

	R	R	R
	Valuation of Land on 2005/07/01	Actual Income 2006/2007	Actual Income 2005/2006
Residential and Commercial	51,090,531	8,343,523	8,195,198

Taxable property - R28,635,040

Non-taxable property - R 3,603,456

Valuations on land are performed every three years and the last general valuation came into effect on 01 July 2005.

5.1.5 Indigent Policy

Council has adopted and implemented the following two significant policies:

? Credit Control and Debt Management

? Indigent Support

o Number of indigent households as at 30 June 2007 - R 1,450

o Total value of support to the indigent households - R8,367,096

5.1.6 Creditor Payments

The top six creditors are:

Creditor	Value R
Sedibeng Water	10,038,851
Eskom	4,667,930
Debtpack	1,032,871
Auditor General	935,475
Fujitsi Services	194,688
Suidwes Landbou	146,981
TOTAL	17,016,796

5.1.7 External Loans

The Municipality has long-term loans with the Development Bank of South Africa (DBSA), Wesbank and ABSA.

Loan redemption per service for the year.

Service	Opening Balance R	New Loans R	Capital Paid R	Closing Balance R
Sewer	761,197	2,044,712	151,631	2,654,278
Electricity	198,505	250,000	77,883	370,622
Water	0	808,507	11,916	796,591
Cleansing	196,020	445,836	78,954	562,902
Other	0	509,114	61,677	447,437
TOTAL	1,155,723	4,058,169	382,061	4,831,831

* Interest paid on the above mentioned loans were R433,212.

Service Delivery Reporting – Finance

Key Performance Area	Performance during the year Performance against actual plans to improve performance	2004/05	2005/06	Target 2006/07	Achieved 2006/07	Target 2007/08
The provision of free basic service to Indigent households	Households registered: householders were identified as beneficiaries in the provision of free basic services in line with National Government Policy. They are subsidized with 6 kilolitres of water, 50kwh electricity, sewer, refuse removal. Assessment rates, the first 1,000m ² of the erf	5,882	4,342	None	1,450	None
Management of indigent system	Indigent Management System is in place					
	Credit Control and Debt Collection Policy					
	Indigent Support Policy					
Revenue Enhancement Strategy	Total Debtors Outstanding	64,726,522	44,644,568	None	57,679,481	None
	Bad Debt written off	15,027,555	34,154,590		473,417	
	Days outstanding in Debtors	449	281		504	
	Payment levels (Indigent subsidy included)	58,9%	73,8%	85%	70,7%	
	Debtback Debt Collection	4,771,098	6,766,884	8,400,000	8,061,145	
Improvement of the Billing System	Since the integration of the different billing systems in 2002/2003, we experienced significant difficulties with debtor accounts, particularly with regards to demographic data and meter readings			The implementation of a new system which caters for financial system, Human Resources and Salary Management in one		

Function: Sub Function:	Housing N/A	
Reporting Level	Detail	
	Identification of housing needs Identification of land or housing. Prioritization of identification needs. Allocations of sites. Preparing business plans. Monitoring housing projects. Dispute resolution.	
Description of the Activity:	* It is done through consultation meetings with different stakeholders to identify their needs and also to identify land where houses will be built. * Prioritization is done through the IDP representative forum. * Business plan are then prepared and submitted to the Department for funding * Monitoring is done to ensure that targets are met and that set programmes are implemented. * Dispute resolution with affected families.	
Strategic Objective	The strategic objective is to ensure that our people are located in formal houses. The key issue for this financial year is to eradicate all informal settlements by providing enough land for residential purpose and also to built at least 1000 houses	
Analysis of the function	Number and cost of all personnel associated with provision of municipal housing: B.V SEBEKEDI : MANAGER = P.M MOTSOENYANE : CO -ORDINATOR HOUSING ASSISTANT TOTAL COST =	<i>R(000s)</i> 206,768 155,807 105,902 468,477
	Number and total value of housing projects planned and current:	<i><total></i> <i><cost></i> <i>R(000s)</i>
	CURRENT PLANNED Total type, number and value of housing provided RDP houses Total number and value of rent received from municipal owned rental units	1500 1000 1400 0 ± 58 million ±39 million ±40 million 0

5	Estimated backlog in number of housing <i>Lebaleng Extension 4 and 3</i> Kgakala Extension 3	1203 52	
6	Wolmaransstad Extension 13 Type and number of grants and subsidies received: Total operating cost of housing	1765 303 units 468,477	

	KEY PERFORMANCE, TARGETS AND ACTUAL PERFORMANCE	
	<p>Our key performance from 2006/2007 was the speed at which houses were constructed under a short space of time. We had an allocation, of 1 500 units and by the end of financial year almost 1 200 units were completed. This was against the 1 500 target set. The reason for the variance of 300 is due to the following:</p> <ul style="list-style-type: none"> * Delays caused by rain * Approvals from the Department * Declined subsidies, and erven with no applications. * Erven with no applications. 	

Function: COMMUNITY SERVICES : SPORTS, ARTS, CULTURE AND LIBRARIES			
Sub Function:			
Reporting Level			
Overview	Maquassi Hills Local Municipality consists of four towns with its townships, i.e Makwassie/Lebaleng, Wolmaransstad/Tswelelang, Leeudoringstad/Kgakala, Witpoort/Rulaganyang and rural village. Presently we have three sporting facilities that are owned, managed and maintained by the municipality and also five libraries.		
	Details		
	<ul style="list-style-type: none"> * Manage and monitor that all our programmes and plans are implemented within this division. * Provision of libraries services. * Identification of community needs. * preparing business plans for identified needs. * Establishment of library users committee. * Establishment of Sports Councils. * Liaise with the Department of Social Development. 		
Description of the Activity:	<ul style="list-style-type: none"> * To check whether the set targets are achieved as per the programme and plans. * To teach all library users how to look for books on the shelves. * Provision on monthly reports to province and Regional Library. * Market libraries through reading campaigns. * Holding regular meetings with stakeholders to get their needs. * Getting all relevant information on identified needs when preparing business plans. * Meeting all Sporting codes and relevant stakeholders to can elect members who will run the Sports Council. * Assist all sporting codes to affiliate with their federations. * Regular meeting of social cluster involving all sector departments in terms of implementing the consolidated programmes. 		
Analysis of the function	Nature and Extent of Facilities <ul style="list-style-type: none"> * Libraries * Aged care (Crèches) * Aged care (including aged houses) * Schools * Sporting Facilities 	Number of facilities 5 8 8 106 5	Number of users ± 8 500

	Total operating cost of community and social services function :		1,437,181
	The Department of Sports, Arts and Culture allocated R250 000 for our municipality to be used in our libraries to be used per the submitted business plan		
Function: Finance and Administration Sub- Function: Procurement			
Reporting Level	Detail	Total	
Overview:	Subject to the provisions of the Preferential Procurement Policy Framework Act [Act No. 5 of 2000] and the Municipal Supply Chain Management Policy adopted on 11 October 2005 in terms of Section 111 of the MFMA and the Municipal Supply Chain Management Regulations, the Tender committee protects the interest of persons disadvantaged by unfair discrimination in a manner in which such preference does not compromise or limit the quality, coverage, cost and development impact of the services.		
Description of the Activity:	<p>? The function of procurement within the Municipality is administered as follows:</p> <ul style="list-style-type: none"> - The selection process is always fair, equitable, transparent, cost effective and competitive. Bids are only evaluated in terms of the criteria stipulated in the tender documents. The contracts are usually awarded to the bidder who scores the highest points. - The service is extended to small, medium, micro enterprises and foreign tenderers. - Consultants that have been appointed by the Chief Accounting Officer, serves as <i>Bid Evaluator</i> where the municipality lacks the necessary skill or capacity. The firm evaluates tenders and submits reports and recommendations to the Tender committee for consideration and adjudication. <p>* The Municipality has a mandate to establish itself as a centre of procurement and to provide centralized procurement services.</p> <p>* The strategic objectives of the procurement function are to :-</p> <ul style="list-style-type: none"> - deal with all suppliers of goods and services in an even-handed manner; - promote and advance small, medium and micro enterprises, see to black economic empowerment; - provide opportunities for suppliers to compete in an open and transparent manner. <p>*The Key issues for 2006/2007 are to ensure that all procurement transactions achieve the best value for money or lowest total cost of ownership and that contracts are allocated in a fair and transparent manner.</p>		

Analysis of the Function:	1. Details of Tender Activities: * Total number of times that Tender Committee met during the 2006/2007 financial year. * Total number of Tenders considered. * Total number of Tenders approved. * Average time taken from Tender advertisement toward the Tender.	17 16 16 30 days	
Function: Finance and Administration Sub- Function: Procurement			
Reporting Level	Detail	Total	Cost
	2. Details of the Tender Committee The following officials serve on the committees: <u>Specification/Evaluation Committee -</u> Manager Administration [Chairperson] Deputy Chief Finance Storekeeper/Buyer Admin Assistant of Municipal Manager [Secretary] <u>Adjudication Committee -</u> Municipal Manager [Chairperson] Director: Finance Director: Administration PMS Manager Manager: Administration [Secretary]	N/A	
1. 2. 3.	Ensure that all the members of the Tender Committee comply with the provisions as contemplated in Council's Procurement Policy. Provide Procurement advice and assistance. Ensure that all interested enterprises who wish to do business with this Council are invited to forward their details and profiles to the Municipality in order to add it to the Procurement Data Basis.		

Reporting Level	Detail	Total	Cost
Overview	Local Economic Development in the Municipality is changed with the following: description:		
Description of the activity			
	Promotion of economic development as enshrined in the constitution of the Republic of South Africa (Section 153) through workshop and /or meeting arranged for that purpose	N/A	
	<p>Access to land to black emerging farmers (lease and purchase), black small businesses, small scale mining and community projects:</p> <p>There is a two fold process following in our endeavor to achieve this objective: First through council's earmarking particular pieces of council owned land for emerging black farmers.</p> <p>Participation in the N12 Treasure Route Committee where all municipality along the N12 Treasure Route co-operate to assist</p> <p>Identification of training needs in the community and arranging relevant training for such (mostly through the Department of Labour)</p> <p>Adverting pieces of land and buildings for tenders to lease the properties for small business and farmers</p> <p>Encouraging the municipality to give priority to small business in procurement of service, particularly in construction (building and civil)</p> <p>Initiate programmes and project for all sectors of the community</p> <p>Promote Tourism in the area of jurisdiction of the Municipality</p> <p>Facilitate in the development of Small Micro and Medium Enterprises</p> <p>Co-ordinate all Local Economic Development activities in our area of jurisdiction</p>		

ANALYSIS OF THE FUNCTION

Reporting Level	Detail	Total	Cost Value <i>R(000s)</i>
1. Analysis of the function	Number and cost to employer of all economic development personnel - Professional (Director) - Professional (Manager) - Non-professional (Clerical Administrator) Total Cost to Employer	 1 1	 199,187 119,199
2.	There is no formal and approved incentives policy for business investment However, incentives are given to investors on an ad hoc basis currently		N/A
3.	There is no strategy on urban renewal The municipality is structuring its urban renewal by prioritizing such in its Intergrated Development Plan (IDP)		
4.	No strategy exists on rural development. Most of rural areas the municipality are privately owned and as such involvement of land owners should be sought		
5.	Number of people employed by job creation scheme: Short-term employment EPWP Other projects		
6.	Number of building inspectors - temporary -contract		
7.	- Number of building plans approved - Value of building plans approved		
8.	No grants and subsidies were received by the municipality during the 2006/2007 financial year		

Key performance area	Performance during the year, performance against actual. Achieved plans to improve performance	Current	Target
1. Promotion of LED in Maquassi Hills	<ul style="list-style-type: none"> - Poverty Alleviation Agricultural Summit was Successfully arranged in October 2007 - SMME Imbizo was successfully launched in October 2007 - Numerous Workshop were also held during the month of June, August and September 	N/A	
2. Access to land and buildings for small farmers and small businesses	<ul style="list-style-type: none"> - The municipality is experiencing a shortage of land for agricultural development to cope with the increasing demand of emerging small farmers. - A total of ± 10 Business Sites have been approved by Municipality. 		
3. Participation in the N12 Treasure Route Committee	For the second time the Municipality participated in the International Tourism Indaba in Durban held on the 12 - 15 May 2007 through the N12 Treasure Route Committee		
4. Participating in other programmes and events	On the 12 th September 2007 the Municipality fully participated in the Provincial Tourism Lekgotla		

Function:	Finance and Administration	
Sub Function:	Human Resources	
Reporting Level	Detail	Total
Overview:	Includes activities relating to organizational structure, Employment Equity and Skills Development plans, as well as Human Resources Policies, Staffing includes recruitment, selection and induction, Performance Management System and Code of Conduct.	
Description of the Activity:	The function of human resource management within the municipality is administered as follows and includes:	
	<p>Organizational Structure</p> <p>The Municipal Organizational Structure was representative of the Integrated Development Plan. The structure has been ratified by Council.</p> <p>Employment Equity</p> <p>The Employment Equity Plan has been developed to deal with equity issues in all respects, in all occupational categories. The Council has to embark on targeted training for succession planning purpose while simultaneously recruiting outside. The Employment Equity Committee is also in place.</p>	
	<p>Skills Development</p> <p>The Workplace Skills Plan was developed by Business Helpline and submitted to LGSETA as at 30 June 2007. The training Committee was not fully in charge of the training budget and Workplace Skills Plan. Training was also ineffectively implemented due to budget cuts. The Training Plan for 2007/2008 F/Y has been developed to ensure that Council streamlines skills development in the workplace.</p> <p>Human Resources Policies</p> <p>Policies are in place and ratified by Council. Refer to table below:</p> <p>Recruitment, Selection and Induction</p> <p>Prospective employees are recruited through different media. The selection was undertaken to identify suitably qualified incumbents by Selection Committee appointed by Municipal Manager.. The new appointees were taken through induction workshops for the purpose of adaptability which covers among others; Disciplinary Procedure, Code of Conduct as well as Channels of Communication.</p>	
		N/A

Analysis of the Function:	Statistical Information		
1	Number and cost to the Employer of all Municipal staff employed (Councillors allowances included).	<total>	<i>R (000s)</i> <cost>
	Municipal Manager	1	815,549.00
	Director: Community Services	1	656,731.00
	Director: Engineering Services	1	735,519.00
	Director: Administration	1	689,691.00
	Director: Finance	1	747,559.00
	Personal Assistant	1	188,531.00
	Library	9	251640.65
	Housing	3	3794.15-680.08
	Health	14	1,882,540.97- 4,114.11
	Licensing/Traffic	15	1,878,426.86
	LED	2	350,386.03
	Administration	12	2,524,386.96
	Finance	23	3,483,471.92
	Sewerage	50	3,913,692.60
	Electricity	9	1,332,941.72
	Public Works	50	3,653,009.70
	IDP	1	147,450.35
	Refuse	37	299,085.96
	Parks/Cemetery	24	53 723.18
	Water	20	1,758,404.83
	Office of the Municipal Manager	7	1,245,645.67
	Project Management Unit	2	104, 500.00
	Councillor	16	3,233,653.51
	Note: total number to be calculated on full-time equivalent (FTE) basis, providing detail of race and gender according to the breakdown described above. Total cost to include total salary package	219	

	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
Key Performance Area		N/A	
Number or name of Medical Aid Fund	Samwumed		
	Bonitas		
	Hosmed		
	Keyhealth (Former Munimed)		
Risks/Liabilities	None		

Function:	Waste Management	
Sub Function:	Solid Waste	
Reporting Level	Detail	Total
Overview:	Maquassi Hills comprises of 4 towns: Wolmaransstad, Leeudoringstad, Makwassie and Witpoort. Each of these towns includes a location. Maquassi Hills also consist of rural villages serviced by the municipality. Solid waste removal is extended to Wolmaransstad, Tsweleng, Witpoort, Rulaganyang, Leeudoringstad, Kgakala, Makwassie and Lebaleng. Waste from the municipal is disposed at four separate landfills. An intensive recycling and composting project is implemented in Leeudoringstad and Wolmaransstad landfills. Operation of the recycling is outsourced and cleared regularly throughout the municipal area in spite of the regular refuse collection service rendered.	
Description of the Activity:	The refuse collection functions of the municipality are administered as follows and include:	
	<u>Garden Refuse:</u> A private contractor provides a garden refuse collection service to residents in the area at a charge. This material is disposed at the landfills free of charge.	
	<u>Landfills: Wolmaransstad:</u> Is operated in an old quarry to the South of Wolmaransstad. The landfills is permitted, waste is disposed without cover and compaction. Dust, odours, vectors and wind blow litter are prevalent. Although the site is fenced, gates are not locked; waste is burnt on occasion, to reduce volumes and to prevent excessive windblown litter. One person is employed to control refuse disposal at the dumping site.	
	<u>Makwassie Landfills:</u> Is small with relatively small volumes of waste being disposed at the site. It is located in an open veld area with a trench being utilized for disposal purposes	
	<u>Leeudoringstad Landfills:</u> Was evidently previously operated and developed in a structured manner with trenches developed for future disposal purpose	
	<u>Witpoort Landfill:</u> Is very small and located in a disused quarry. One person is employed on site to act as spotter and to enforce some access control during office hours.	
	<u>Household Refuse:</u> 11021 households' bins are used for the collection of refuse. The frequency of service is weekly per household.	
	<u>CBD:</u> Bins are used for the collection of refuse. The frequency in CBD is three times a week.	
	The municipality has a mandate to:	
	* Provide a regular service to all residents of the municipal area.	

		* Develop a waste collection strategy to ensure a continued cost effective service.	N/A
		* Ensure each household is in possession of suitable containers/bins to ensure an effective collection service is rendered.	
		The strategic objectives of this function are to:	
		* Develop a disposal strategy for the area taking the specific constraints into consideration.	
		* Upgrade operation of landfills	
		* Implement a monitoring system that complies with DWAF requirements	
		* Formalize waste minimization strategy	
		* Provide a regular strategy to ensure a continues cost effective service (without creating an environmental hazard)	
		* Ensure the availability of sufficient equipment to ensure continued service delivery.	
		The key issues for 2006/07 are:	
		* Increased number of bins	
		* Connection of sewer main lines from Makwassie to the Waste Water Treatment Plant	
		* Purchasing of a brand new front loader by Southern District Municipality (2006)	
Analysis of the Function:			R(000s)
1	Number and cost to employer of all personnel associated with refuse removal:		2,991,086
	- Professional (Divisional Head Cleansing + Superintendent Cleansing Services)	0	0
	- Field (Supervisors/Worksman)	5	268,776
	- Non-professional (blue collar, outside workforce)	70	2,722,310
2	Number of households receiving regular refuse removal services, and frequency and cost of service:		R (000s)
	- Removed by municipality at least once a week	11,998	5,653,714
	- Total income:		9,183,656
	- Total operating expenditure		3,853,992
3	Total and projected tonnage of all refuse disposed:		
	- Domestic/Commercial and Garden	47	
4	Total number, capacity and life expectancy of refuse disposal sites:		
	- Domestic/Commercial (number)	4	30yrs
Reporting Level	Detail	Total	
5	Anticipated expansion of refuse removal service:		R (000s)
	- Domestic/Commercial		
6	Free Basic Service Provision:		
	- Quantity (number of households affected)	1,450	
	- Quantum (value to each household)	423	
7	Total operating cost of solid waste management function		R (000s)

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
	Sorting project agreement municipality and community	N/A	
	Provision of refuse bins to new extensions free of charge		
	Maintenance and proper control of disposal sites		
	Encouraged public partnership to assist service delivery		
	Discouraging of illegal dumping		
	Purchasing of illegal dumps containers for each ward	9	8

Function: Waste Water Management			
Sub Function:	Sewerage etc.		
Reporting Level	Detail	Total	Cost
Overview:	Includes provision of sewerage services and toilet facilities excluding sewer infrastructure and water purification.	N/A	
Description of the Activity:	The sewerage functions of the municipality are administered as follows and include:		
	Maquassi Hills comprises of four towns: Wolmaransstad, Leeudoringstad, Makwassie and Witpoort. Each of these towns consists of a location: Tsweleng, Kgakala, Lebaleng and Rulaganyang. There are rural villages surrounding Maquassi Hills.		
	Each town has Municipal services that include sanitation. Bucket system is used at three locations (Tsweleng, Lebaleng and Kgakala) and for the newly established extensions. Rulaganyang is using VIP toilets currently. There is pilot project set to de-sludge the current VIP system that will be free of health hazards. Most of the toilets in Maquassi Hills are flash toilets. Eradication of bucket system (100%) is set to be eradicated by March 2007.		
	Eradication of buckets was made possible by the shortage of water which will continue for 1-2 years.		
	Maquassi Hills Local Municipality erected the Waste Water Treatment Plant that has the capacity to make the eradication of bucket system possible.		
	From the households, the night soil is taken to the Waste Water Treatment Plant through a septic tank by a tractor.		
	All buckets are washed before taken back to toilets		
	Buckets are removed once a week per household		
	The municipality has a mandate to:		
	Provide all households with acceptable sanitation facility		
	Promote health and hygiene		
	The strategic objectives of this function are to:		
	Breaking the transmission route of sanitation related diseases such as cholera, diarrhea, typhoid		
	Provide a range of technological options that are affordable and acceptable to the community		

	The key issues for 2006/07 are:		
	Provision of service delivery (sanitation) to all new extensions: Wolmaransstad, Leeudoringstad and Makwassie	N/A	
	Completion of the Waste Water Treatment Plant		
Analysis of the Function:			R(000s)
1	Number and cost to employer of all personnel associated with sewerage functions:		3,913,693
	- Professional (Divisional Head: Cleansing & Superintendent Cleansing Services)	2	301,068
	- Field (Supervisors/Workman)	4	223,524
	- Non-professional (blue collar, outside workforce)	40	1,593,700
2	Number of households with sewerage services, and type and cost of service:		R (000s)
	Wolmaransstad – 1391 Buckets, 4159 Residential and 0 Suction	N/A	
	Leeudoringstad – 898 Buckets, 2289 Residential and 0 Suction		
	Makwassie – 772 Buckets, 1637 Residential and 239 Suction		
	Witpoort – 0 Buckets, 335 Residential and 0 Suction		
	- Flush toilet (connected to sewerage system)	8,420	8,297,964
	- Flush toilet (with septic tank)	239	57,360
	- Chemical toilet		
	- Pit latrine with ventilation	335	98,852
	- Pit latrine without ventilation	74	13,830
	- Bucket latrine	3,061	1,429,609
	TOTAL		9,897,615
	TOTAL INCOME		16,513,155
	TOTAL OPERATING EXPENDITURE		6,152,922
3	Anticipated expansion of sewerage:		R (000s)
	- Bucket latrine	3,310	1,628,142
4	Free Basic Service Provision:		
	- Quantity (number of households affected)	1450	
	- Quantum (value to each household)	824 per year	
5	Total operating cost of sewerage function		R (000s)
	Increased number of sewer connections.	N/A	
	Installation of sewer mainlines from Makwassie pump station to Waste Water Treatment Plant in Wolmaransstad.		
	Most households' drainages connected to the main-lines.		
	Completed RDP toilets for new extensions		

Function:	Road Transport		
Sub Function:	Roads		
Reporting Level	Detail	Total	Cost
Overview:	Construction and maintenance of roads within the municipality's jurisdiction	N/A	
Description of the Activity:	The road maintenance and construction responsibilities of the municipality are administered as follows and include:		
	The identifying of potholes and repairing of it on a daily basis. There was R210,000 budgeted for maintenance		
	These services extend to include: Maintenance of street in the municipal residential area only.		
	The municipality has a mandate to:		
	Repair only streets in the municipal residential area		
	The strategic objectives of this function are to:		
	Maintain and keep all roads in a good state.		
	Supply a proper road network to all residents residing in Maquassi Hills		
	Rehabilitate existing road networks		
	The key issues for 2006/07 are:		
	Construction of roads in Wolmaransstad Extension 13	17,92km	1,079,600 (Budget)
			4,303,693 (Spent)
Analysis of the Function:			
1	Number and cost to employer of all personnel associated with road maintenance and construction:		R (000s)
	- Divisional Head: Technical Services	1	307,575
	- Non-professional (blue collar, outside workforce)	27	3,345,435
2	Total number, kilometers and total value of road projects planned and current:		R (000s)
	- New gravel (number)		
3	Total kilometers and maintenance cost associated with existing roads provided		R (000s)
	- Tar	99	238,491
	- Gravel	89,5	215,606
	- Graded roads	36,5km	87,929
	- Paved roads	12	28,974
	Note: if other types of road provided, please provide details		
4	Average frequency and cost of re-tarring, re-sheeting roads		R (000s)
	- Tar	0	0
	- Gravel	0	0

	5	Estimated backlog in number of roads, showing kilometers and capital cost		R (000s)
		- Tar	0	0
		- Gravel	36,5km	22,995,000
Reporting Level		Detail	Total	Cost R (000s)
6		Type and number of grants and subsidies received:	0	0
7		Total operating cost of road construction and maintenance function		R (000s)
Key Performance Area		Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
			N/A	
Lebaleng Extension 4		Finished		
Wolmaransstad Extension 10		Finished		
Repair potholes		Daily		
Leeudoringstad Extension 4		Graded		
Wolmaransstad Extension 13		Busy to construct gravel roads		

Function:	Water		
Sub Function:	Water Distribution		
Reporting Level	Detail	Total	Cost
Overview:	Includes the bulk purchase and distribution of water	N/A	
Description of the Activity:	The water purchase and distribution functions of the municipality are administered as follows and include:		
	To supply water to residents in Maquassi Hills Municipal area. To repair water leaks. An amount of R200,000 was budgeted for this.		
	The municipality has a mandate to:		
	Maintain only water pipes in Municipal residential area		
	The strategic objectives of this function are to:		
	To supply a good quality of water service to each stand		
	To comply to all minimum standards as required by legislation		
	To have an electronic management program on water management		
	The key issues for 2006/07 are:		R(000s)
	Wolmaransstad - Replace all AC pipes and valves		1,500,000
	Leeudoringstad - Replace all AC + Steel pipes + valves		800,000
	Makwassie - Replace all AC Pipes + valves		500,000
1	Number and cost to employer of all personnel associated with the water distribution function:		R (000s)
	- Non-professional (blue collar, outside workforce)	19	1,758,405
2	Percentage of total water usage per month		
3	Total volume and cost of bulk water purchases in kilolitres and rand, by category of consumer	2,540,933kl	10,615,466
	Wolmaransstad	1,398,962kl	5,846,252
	Leeudoringstad	65,9310kl	2,754,508
	Makwassie	430,610kl	1,798,542
	Witpoort	52,051kl	216,164
4	Total volume and receipts for bulk water sales in kilolitres and rand, by category of consumer:	1,298,010kl	12,032,848
	Wolmaransstad	653,523kl	6,058,232
	Leeudoringstad	379,675kl	3,519,661
	Makwassie	234,378kl	2,172,758
	Witpoort	30,434kl	282,197
5	Total year -to-date water losses in kilolitres and rand		R (000s)
		1,242,923	5,192,662

Reporting Level	Detail	Total	Cost
6	Number of households with water service, and type and cost of service:		R (000s)
	- Piped water inside dwelling	1,974	0
	- Piped water inside yard	12,650	0
	- Piped water on community stand: distance < 200m from dwelling	0	0
	- Piped water on community stand: distance > 200m from dwelling	0	0
	- Borehole	0	0
	- Spring	0	0
	- Rain-water tank	0	0
7	Number and cost of new connections:		R (000s)
		22	24,640
8	Number and cost of disconnections and reconnections:		R (000s)
		0	0
9	Number and total value of water projects planned and current:		R (000s)
	Leeudoringstad Extension 4	998	1,862,799
	Wolmaransstad Extension 13	1,732	4,773,781
	Lebaleng Extension 4	580	1,307,302
	Planned (future years) Leeudoringstad Extension 5	390 erven	894,270
	Bulk water supply		55,973,000 (Budget)
			544,275 (Spent)
10	Anticipated expansion of water service:		R (000s)
	- Piped water inside dwelling	40	44,800
	- Piped water inside yard	390	894,270
	- Piped water on community stand: distance < 200m from dwelling	0	0
	- Piped water on community stand: distance > 200m from dwelling	0	0
	- Borehole	0	0
	- Spring	0	0
	- Rain-water tank	0	0
11	Estimated backlog in number (and cost to provide) water connection:		R (000s)
	- Piped water inside dwelling	0	0
	- Piped water inside yard	0	0
	- Piped water on community stand: distance < 200m from dwelling	0	0
	- Piped water on community stand: distance > 200m from dwelling	0	0
	- Borehole	0	0
	- Spring	0	0
	- Rain-water tank	0	0

12	Free Basic Service Provision:		
	- Quantity (number of households affected)	1,335	0
	- Quantum (value to each household)	R 57.02	0
		6kl water	
13	Type and number of grants and subsidies received:		R (000s)
		None	0
14	Total operating cost of water distribution function		200,000
Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
Water leaks	Daily		

Function:	Electricity		
Sub Function:	Electricity Distribution		
Reporting Level	Detail	Total	Cost
Overview:	Includes the bulk purchase and distribution of electricity	N/A	N/A
Description of the Activity:	The electricity purchase and distribution functions of the municipality are administered as follows and include:		
	The maintenance and upgrading of the electrical network in the municipal residential area. An amount of R708, 500 was budgeted for it.		
	The municipality has a mandate to:		
	Maintain only the electric network of municipal residential area.		
	The strategic objectives of this function are to:		
	Provide an affordable and sustainable electricity supply to the community of Maquassi Hills by 2007		
	Maintain a high level of maintenance programme to replace all obsolete equipments and materials		
	The key issues for 2006/07 are:		R(000s)
	1. Leeudoringstad service of transformers	N/A	20,000
	2. Makwassie service of transformers	N/A	11,000
	3. Wolmaransstad electricity loss investigation test all electrical kwh meters and replace obsolete meters	N/A	200,000
	4. Repair vehicles and hoist	N/A	360,000
	5. Wolmaransstad M/V cables replace old 35mm lead cable with 70mm xple cable in Joubert street	N/A	90,000
	6. Leeudoringstad auto recloser + service of one	N/A	70,000
	7. Wolmaransstad M/V cables replace old 35mm lead cable with 70mm Kemp and Makwassie street	N/A	172,000
	8. Wolmaransstad tools and equipment	N/A	45,000
	9. Leeudoringstad tools and equipment	N/A	9,000
	10. Wolmaransstad auto recloser	N/A	64,000
	11. Makwassie overhead lines M/V + L/V	N/A	200,000
	12. Makwassie upgrading of transformers	N/A	120,000
	13. Leeudoringstad replace of transformers	N/A	160,000
	14. Leeudoringstad electrical M/V & L/V network	N/A	180,000
	15. Wolmaransstad street lights upgrading of street light fitting	N/A	150,000
	16. Wolmaransstad house connections upgrade 230/380 volt O/H lines. Install new boundary boxes and new feeder cable for service connections	N/A	5,000,000
	17. Wolmaransstad upgrading of old O/H lines	N/A	160,000
	18. Leeudoringstad-East street lights	N/A	1,200,000
	19. Makwassie upgrade of street lights	N/A	600,000
	20. Makwassie upgrade of O/H line	N/A	100,000
	21. Wolmaransstad upgrade of transformer	N/A	150,000
	22. Makwassie upgrade of M/V switch gear	N/A	60,000
	23. Witpoort-Rulaganyang street lights	N/A	1,200,000

Analysis of the Function:			
1	Number and cost to employer of all personnel associated with the electricity distribution function:		R (000s)
	- Non-professional (blue collar, outside workforce)	9	1,334,042 (2005/06)
2	Total quantity and cost of bulk electricity purchases in kilowatt hours and rand, by category of consumer		R (000s)
ALL IN ALL	- Residential	41,784,444	7,533,953
	- Commercial		
	- Industrial		
	- Mining		
	- Agriculture		
	- Other		
3	Total quantity and receipts for bulk electricity sales in kilowatt hours and rand, by category of consumer:		R (000s)
ALL IN ALL	- Household	35,534,097	14,034,347
	- Commercial		
	- Industrial		
	- Mining		
	- Agriculture		
	- Other		
	Total year-to-date electricity losses in kilowatt hours and rand		R (000s)
		6,250,347	2,049,489
5	Number of households with electricity access, and type and cost of service:	2,689	18p/kwh
Reporting Level	Detail	Total	Cost
	- Electrified areas		
	- Municipal	2,689	N/A
	- Eskom	9,236	N/A
	- Alternate energy source		
	- Gas	0	0
	- Paraffin	0	0
	- Solar	0	0
	- Wood	0	0
	- Non electrified	806	N/A
6	Number and cost of new connections:		R (000s)
		15	37,035
7	Number and cost of disconnections and reconnections		R (000s)
		522	101,915
8	Number and total value of electrification projects planned and current:		R (000s)
	- Current (financial year after year reported on)	1,578	N/A
	- Planned (future years)	3,006	N/A
9	Anticipated expansion of electricity service:		R (000s)
		3,006	N/A

10	Estimated backlog in number (and cost to provide) water connection:		R (000s)
		390	894,20
11	Free Basic Service Provision:		
	- Quantity (number of households affected)	29	N/A
	- Quantum (value to each household)	21,50	N/A
12	Type and number of grants and subsidies received:		R (000s)
		None	N/A
13	Total operating cost of electricity distribution function		683,500
Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
	No money was available to any of the projects. Only maintenance was done.		

Function:	Electricity		
Sub Function:	Street Lighting		
Reporting Level	Detail	Total	Cost
Overview:	Includes all activities associated with the provision of street lighting to the community	N/A	
Description of the Activity:	Street lighting responsibilities of the municipality are administered as follows and include:		
	The maintenance and repairing of streetlights in the municipal residential area.		
	The municipality has a mandate to:		
	Maintain only the lights in the municipal residential area		
	The strategic objectives of this function are to:		
	Provide a well illuminated system to the community by 2006		
	The key issues for 2006/07 are:		-
	1. Street lights at railway crossing between extension 4 + 10	N/A	60,000
	2. Makwassie road Tsweleng crossing	N/A	40,000
	3. Street lights at Makwassie + Bloemhof intersection	N/A	200,000
	4. Street lights between extension 4 + Tsweleng Makwassie road	N/A	200,000
	5. Street lights at main road crossing industrial road	N/A	50,000
	6. Street light on road between Extension 10 + Extension 4	N/A	60,000
	7. Tsweleng - Noorpark connection	N/A	200,000
	8. Street lights at Extension 4 Tsweleng	N/A	70,000
	9. Street lights at Extension 4 Tsweleng	N/A	750,000
	10. Street lights between Extension 3 and Lebaleng	N/A	750,000
	11. Removal of high mass lights in Tsweleng	N/A	50,000
Analysis of the Function:			R (000s)
	1 Number and total operating cost of streetlights servicing population:	3,410	
	2 Total bulk kilowatt hours consumed for street lighting:	N/A	
Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
	No money was available for any of the projects. Only maintenance was done.	N/A	



ACTION PLAN FOR ATTENDANCE TO CRITICAL MATTERS IDENTIFIED IN AUDIT REPORT - 2006 / 2007

Par. Ref	Matters Reported On	Breakdown of relevant tasks / Actions to be taken	Responsible person	Timeframe
5.	An adverse audit opinion was issued in the prior year. During the year under review, management did not implement corrective measures on the qualifications reported. As a result I am unable to verify the opening balances other than agreeing them to the prior year financial statements.	A schedule of corrective measures was available and implemented to rectify prior year matters as address. This schedule of correctness measures will be used in future to address all possible matters as address by the Auditor-General.	CFO & Divisional Head Finance	Start date: 01 July 2007 Completion date: continues for every financial year.
6a.	I was unable to determine the rights and obligations, completeness, existence, valuation and allocation of property, plant and equipment of R5 353 287 disclosed in the balance sheet due to the following: Selected assets could not be traced to and from the asset register due to inadequate information, whilst certain supporting documentation could not be submitted for audit. Consequently I did not obtain sufficient, appropriate audit evidence to determine the completeness, existence, valuation and allocation and rights and obligations of property, plant and equipment.	A correct and complete accurate assets register will be submitted in the coming financial year to avoid future occurrence of not being able to verify assets to and from the assets register.	Divisional Head Finance & Manager Expenditure	Start date: 01 July 2007 Completion date: 30 June 2008
6b.	Leases of R509 358 that were incorrectly classified as operating leases instead of finance leases, resulting in their incorrect accounting in the financial statements.	The necessary adjustments will be made in the coming 2007/2008 financial year to rectify the incorrect handling of the finance lease and to ensure future correctness and proper disclosure.	Divisional Head Finance	Start date: July 2007 Completion date: July 2007
7a.	Statutory and Trust funds were not disclosed on the	Council will ensure to make sufficient provision and	CFO	Start date: July

Par. Ref	Matters Reported On	Breakdown of relevant tasks / Actions to be taken	Responsible person	Timeframe
	entity specific basis of accounting as set out in accounting policy note 1. The entity's accounting records did not permit the performance of alternative procedures. Consequently I was unable to determine the classification, accuracy, completeness, rights and obligations and disclosure of statutory funds of R22 682 334 and trust funds of R9 578 979 disclosed in the balance sheet.	allocations to these funds if allowed by budget constrain. The contribution to these funds were done strictly according to Council approved budget. Seen in the light of the change over from IMFO to GRAP / GAMAP in 2008/2009 Council will consider its position on the contributions to these statutory and trust funds and also the sufficient concomitant assets to support the total amount of these statutory and trust funds if possible. It will be almost impossible for our capacity municipality to have these balances available in cash equivalent as prescribed.		2007 (once off transaction)
7b.	Notwithstanding previous Audit Reports and contrary to section 5(1)(a) of the Local Authorities Capital Development Fund Ordinance, No. 9 of 1978, the compulsory 1% contribution of R863 318 was again not made to the Capital Development Fund during the current year. The total understatement of this fund as at 30 June 2007 is now R2 362 715.	See comment on point 7a) please	CFO	See comment on point 7a) please
7c.	The Land Trust Fund accounts had debit balances of R77 738 at year -end and showed no movement for the year under review;	The debit balances of Land Trust Funds will be rectified in the coming 2007/2008 financial year.	Divisional Head Finance	Start date: July 2007 (once off correction transaction / journal)
7d.	I was unable to obtain supporting documentation for the movements made to the Capital Development Fund "adjustments" of R303 286. Due to the lack of supporting documentation, explanations and the issues noted in the paragraphs above I was unable to reliably determine the misstatement in funds and reserves and equity.	It will be ensure in pass that all financial accounting adjustments and relevant documents will be available for audit purposes to avoid any detail or unavailability in the audit process or to place any limitations on the scope of the audit to be conducted.	Divisional Head Finance	Start date: July 2007 onwards
8.	Included in long term debtors of R1 078 121	This debt resulted from a very old housing scheme, the	CFO	Start date: July 2008

Par. Ref	Matters Reported On	Breakdown of relevant tasks / Actions to be taken	Responsible person	Timeframe
	disclosed in note 7 to the financial statements is an amount of R728 430 which relates to the prior 50/50 housing scheme. There had been no material movement during the year under review raising doubt as to existence and recoverability of this long term debtor. Furthermore, supporting documentation for this debtor could not be submitted for audit, resulting in a limitation of scope on the audit. Consequently I did not obtain sufficient, appropriate audit evidence to determine the completeness, accuracy, rights and obligations and existence of long term debtors disclosed in the balance sheet.	50-50 Scheme in Makwassie. As council remains with the long -term debt the prior year audit findings and discussions resolved that Council must at least take effort to recover this old debt from those beneficiaries. Council therefore in the year under review issued accounts to those involved and therefore a slight decrease in the balance occurred due to payments received. It should however be taken into account that those old beneficiaries formed part of a housing scheme and were seen as the poorest of the poor. A formal item will follow to Council indicating that all reasonable steps were taken to recover these monies with no success and that those outstanding debt to be written off.		2008 Completion date: September 2008
9.	I was unable to obtain supporting documentation and explanations for consumer deposits of R1 011 906 disclosed as a "Correction of balances" in note 4 to the financial statements. Consequently I did not obtain sufficient, appropriate audit evidence to determine the completeness, existence and rights and obligations of consumer deposits of R2 133 985 disclosed in the balance sheet.	Journal No. 405 & 442 was submitted to the Auditor-General as appropriate audit evidence to determine the completeness of the correction of balances. In future it will be assured that all accounting records and supporting documentations are available for audit purposes.	Divisional Head Finance	Start date: July 2007 Completion date: continues
10a.	I was unable to obtain sufficient appropriate audit evidence to determine the completeness, existence, rights and obligations of debtors of R48 858 975 disclosed in the balance sheet due to the following: The consumer debtors balance disclosed in note 9 to	The difference between the disclosed consumer debtor balance and age analysis will be investigated in 2007/2008 financial year and be rectified in that year.	Divisional Head Finance	Start date: July 2007 Completion date: June 2008

Par. Ref	Matters Reported On	Breakdown of relevant tasks / Actions to be taken	Responsible person	Timeframe
	<p>evidence to determine the completeness, accuracy, rights and obligations and existence of creditors of R41 050 662 disclosed in the balance sheet due to the following:</p> <p>(a) Reconciliations between the creditor balances per the accounting system and third party supplier statements had not been performed throughout the year. Furthermore, adequate controls did not exist to ensure that all creditors were correctly and accurately accounted for in the accounting system. As a result, the following discrepancies were noted:</p> <p>? Creditors' statements differed from the financial statements by R175 644.</p> <p>? Invoices amounting to R45 819 could not be submitted for audit purposes.</p>	<p>financial management system, creditor reconciliation will be solved and done accordingly per month. Several problems and challenges surrounding creditors were experienced within the current financial management system (Abacus)</p> <p>Paragraph 11b - Creditors</p>	<p>Expenditure and newly to be appointed service provider for new financial management system</p>	<p>2007 onwards on monthly basis and at year-end 30 June 2008</p>
11b.	<p>Suspense creditors of R523 304 relating to unallocated receipts have been unallocated for an extended period.</p>	<p>The handling and allocation of unallocated receipts has been a problem area in all municipalities for a number of years. We have delegated a specific clerk to attend to the matter in future and to solve and allocate all unallocated receipts. One should however keep in mind that origin of this matter of unallocated receipts is due to the public depositing funds into the municipal banking account with NO deposit reference numbers and thus result in unallocated receipts for the fact that municipal officials not having the correct information from the deposit made to allocate the funds to the correct account.</p>	<p>Senior Clerk: Revenue</p>	<p>Start date: July 2007 onwards on a monthly basis</p>
12.	<p>The accumulated leave of R3 699 318 for the prior</p>	<p>The correct disclosure of this provision will be assured</p>	<p>CFO & Divisional</p>	<p>Start date: July</p>

Par. Ref	Matters Reported On	Breakdown of relevant tasks / Actions to be taken	Responsible person	Timeframe
	and current year have been incorrectly disclosed as a contingent liability in note 23 to the financial statements. The provision for leave of R340 611 disclosed in note 10 to the financial statements is therefore understated by R3 358 707.	in future.	Head Finance	2007 Completion: 30 June 2008 and part of AFS submission September 2008
13a.	<p>I was unable to obtain sufficient, appropriate audit evidence to verify the completeness and accuracy of assessment rates income of R8 343 523 disclosed in note 12 to the financial statements, as the valuation roll could not be relied upon for the following reasons:</p> <ul style="list-style-type: none"> ? Transferred properties was not documented as such in the valuation roll; ? There were no amounts disclosed on the improved properties for the year under review; ? A total of 1 780 stands were not included in the valuation roll reconciliation; ? The debtors age analysis contained 6 141 rate-payers, which is substantially less than the 14 825 stands included in the valuation roll. 	<p>Intensive reconciliation mechanisms will have to be utilized to correct the imbalance between General Ledger and Valuation Roll. The implementation of the new valuation roll & new municipal financial management system in the coming financial years will also assist to resolve and avoid this type of mistake, seen that the current valuation roll as audited and financial management system (Abacus) was not contributing to accurate financial accounting and reporting.</p>	CFO, Manager Municipal Revenue & Debt Collection and newly to be appointed service provider for new financial management system	<p>Start date: July 2007 onwards on a monthly basis.</p> <p>Completion: 30 June 2008 and as part of AFS submission September 2008</p>
13b.	Revenue and expenditure were both understated by	The matter will be corrected, revenue and expenditure	Divisional Head	Start date:

Par. Ref	Matters Reported On	Breakdown of relevant tasks / Actions to be taken	Responsible person	Timeframe
	R2 292 154 due to the incorrect set -off against income of the expenditure relating to the administration of the traffic management system.	related to one activity / project will be disclosed separately and not set off against each other to obtain a net effect and will thus be properly disclosed. The setting off of revenue and expenditure against each other will no longer take place.	Finance	Correction of separate revenue & expenditure as from July 2007 onwards monthly
13c.	I was unable to obtain sufficient, appropriate audit evidence regarding the basis used for calculating service estimates on faulty meters.	Estimates are done automatically by our accounting system Abacus. We are aware that this system is and has caused us several problems the past few financial years and as pointed out by your office during the past few audit reports. Therefore Council took the decision to change the system to a new financial management system which will be running as from this year. We are all positive that will be the end of these types of problems and insularities.	Manager Municipal Revenue & Debt Collection and newly to be appointed service provider for new financial management system	Start date: July 2007 onwards monthly